

Actively Managed Certificate
Precious Metals & Mining

ISIN: CH0242045109
Valor: 24 204 510



BACKGROUND

The monetary policy pursued by central banks over the past few years, with an ever more massive expansion of the money supply, is worrying. The mixture of rising debt, paper money printing and credit bubble expansion is toxic. A general collapse of the financial systems cannot be ruled out. As a protection, also in geopolitical crises, precious metals are repeatedly moving into the focus of investors as a safe haven. They are part of the investment category 'real assets' and diversify equity and interest rate risks.

STRATEGY

The AMC (Actively Managed Certificate) - TCM Leonteq Strategic Precious Metals & Mining pursues a stringent investment strategy with a focus on mining companies in politically predictable, mine-friendly systems (mainly Canada, USA and Mexico) with significant upside potential within the next few years. The investments in the certificate are permanently monitored qualitatively and quantitatively by an active management.

Tactically, the allocation is focused on solidly financed companies with above-average potential. A management with many years of experience and multiple proven successes is a further criterion for an investment decision. A limited percentage allocation to exploration and junior mining companies is deliberately chosen in order to enable the investor to participate in such companies through broad diversification. Companies with a high market capitalization are weighted higher in the certificate. Depending on the market situation, between 0 - max. 20% physical precious metal (ETF ZKB) is added to the AMC.

REVIEW 2nd Quarter 2021

After successfully defending the support at USD 1,675/1,680 in March, the gold price rose steadily in the course of April to mark the top at USD 1,915 at the beginning of June. The first half of June brought a slightly weaker price behavior, only to see a price break in the middle of the month following confusing statements by some US Federal Reserve representatives. The gold price closed the quarter at USD 1,770.

Analogous to gold, the silver price saw its low at USD 23.85 in H1.2021 at the end of March and rose steadily over the next weeks to its high in mid-May at USD 28.75. Together with gold, silver declined from mid-June and marked its low at USD 25.50 towards the end of the month. The closing price at the end of the quarter was USD 26.10.

Performance H1.21: Gold price -6.71% and silver price -1.19%.

The gold/silver ratio decreased again slightly and amounted to 1:67.8 at the end of H1.21.

The price of the certificate was CAD 149.03 as of 30.06.2021 and the annual performance YTD is -7.23%.

COMMENTARY

The following reallocations were made in the portfolio in Q2. Oceana Gold (OGC), Fortuna Silver Mines (FVI), Yamana Gold (YRI) and Wallbridge Mining (WM) were sold. Kinross Gold (K), Endeavour Mining (EDV) and Gatos Silver (GATO) were added to the portfolio.

The gold stocks continued their good results and are mostly undervalued. At these levels, there are good buying opportunities.

OUTLOOK

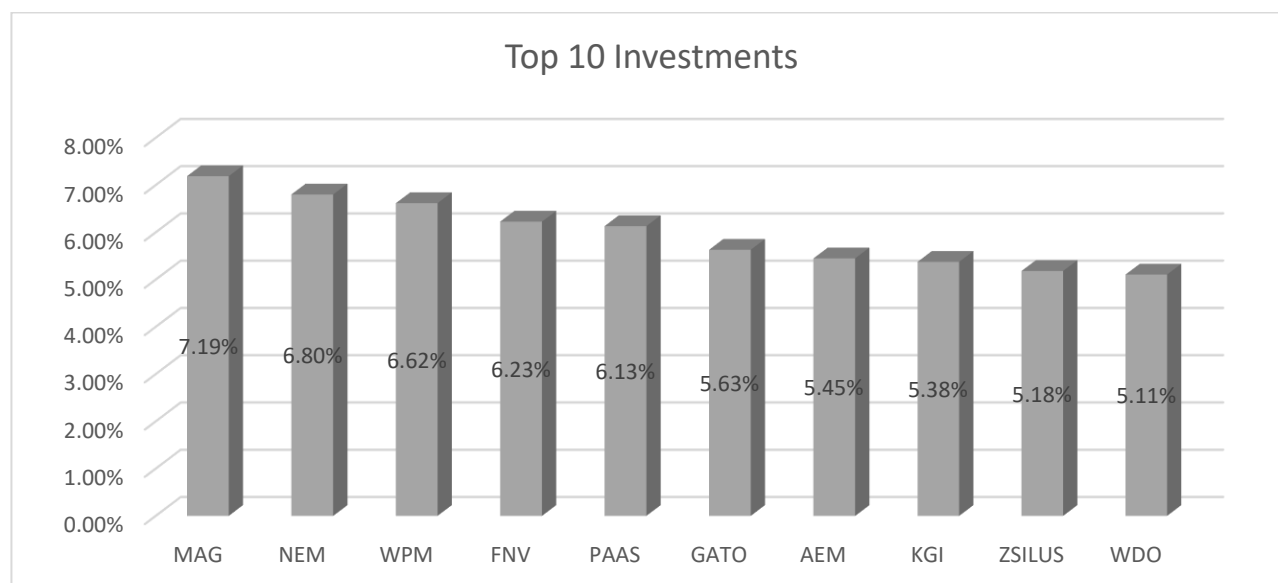
The threat of higher interest rates and a strengthening USD, in addition to the impact of the changes implied by the BIS (Basel III), have led to profit-taking. On the other hand, the stagflationary environment mentioned in the Q4.2020 quarterly report has intensified.

The money glut of the central banks (paper money devaluation), search for inflation protection and turbulences, among others in cryptocurrencies, are positive arguments for gold and silver.

PERFORMANCE / CHART – AMC vs HUI



Top 10 Investments / AuM per 30.06.2021 = CAD 5.78 Mio



Monthly Performance

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2014	-	-	-	-	-	-	-	0.68%	-15.90%	-17.00%	3.86%	3.59%	-24.39%
2015	23.77%	-7.69%	-10.25%	0.63%	2.58%	-7.51%	-14.44%	3.47%	-2.55%	7.25%	-5.61%	0.43%	-14.13%
2016	1.66%	27.89%	3.66%	26.18%	-5.68%	19.65%	11.75%	-11.73%	0.07%	-5.52%	-15.01%	-2.04%	49.02%
2017	10.47%	-3.39%	1.98%	0.98%	-0.32%	-4.57%	-4.23%	3.95%	-4.26%	1.84%	7.24%	-4.30%	4.14%
2018	-4.59%	-5.23%	3.17%	4.14%	1.58%	0.22%	-5.69%	-11.89%	-2.54%	-2.47%	-0.29%	18.56%	-7.65%
2019	3.74%	0.40%	-0.57%	-10.04%	4.58%	11.12%	7.53%	14.14%	-11.98%	4.97%	0.23%	9.26%	34.47%
2020	1.27%	-14.15%	-12.62%	42.43%	16.65%	2.16%	15.78%	-3.31%	-6.71%	-3.82%	-9.33%	9.30%	28.38%
2021	-3.87%	-8.88%	-3.01%	4.49%	14.68%	-8.88%							-7.23%

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